



U.S. Department
of Transportation

Federal Aviation
Administration

Great Lakes Region
Illinois, Indiana, Michigan,
Minnesota, North Dakota,
Ohio, South Dakota,
Wisconsin

2300 E Devon Avenue
Des Plaines, Illinois 60018

POLICY AND PROCEDURES MEMORANDUM - AIRPORTS DIVISION

NUMBER : 5100.3B

DATE : OCT 09 1992

SUBJECT : Payments for Land Acquisition. Including Advance Payments.

CANCELLATION : PPM 5100.3A dated May 31, 1984, is cancelled.

REFERENCES : 1. 14 CFR 152.211 Grant Payments: Land Acquisition.
2. PPM 5100.1, Programming; Sponsor Certifications of Compliance, Section 16(h) of the Airport and Airway Development Act of 1970, as amended.
3. Public Law 97-248, September 3, 1982; Title V - Airport and Airway Improvement, Section 509 (d).
4. PPM 5100.18B, Project Closeouts, Appendix 2.
5. PGL 91-1, Appendix 4, Dated 15 Oct. 1990.

APPENDIX : 1. Changes from PPM 5100.3A dated May 31, 1984
2. Resolution of Comments (Internal Use Only)

1. **Background.** Throughout the course of the ADAP grant program (1976-1982), it was the FAA's policy to not make any payment of the Federal share of Sponsors' land acquisition costs until title evidence has been submitted and found satisfactory. This policy was based upon interpretation of FAR Part 152, paragraph 152.67(a) (edition prior to 1979). Section 16(h) of the Airport and Airway Development Act permitted acceptance of a sponsor certification that title held, or to be acquired, is, or will be, satisfactory to the FAA. Such certification would eliminate the need to review title evidence clearly established the propriety of advance payments for land acquisition. Reference (c) continues the procedure of accepting certifications, as in reference (b).

Distribution: AGL-600/601/602/603/605/610/620
ADO-CHI/ADO-DET/ADO-MSP-AFO-BIS
State Aviation Director (for
information by ADO's)

Originator: AGL-620

2. Policy/Procedures. There are two broad options of land investments available to airport owners under the Airport Improvement Program. These are (1) reimbursement for land owned by the Sponsor prior to AIP investment, or for land acquired as part of a grant; and (2) an advance payment for land to be acquired as part of a grant. Each of these instances will be treated separately.

a. Reimbursement for land. In exceptional circumstances title evidence shall be submitted by the Sponsor for review, found satisfactory, and payment made. Generally however, a sponsor certification should be submitted in accordance with PPM 5100.1, and payment made. In either case, the ADO may require submittal of appraisals prior to approving a payment if the reasonableness of cost is questionable.

b. Advance Payment. In accordance with reference 1, advance payments on land may be made in the same manner as advance payments are made on any other airport development in a grant. However, the same conditions must be met, as required by 14CFR in 152.209. That is, the land must be acquired within 30 days of the advance payment, and the aggregate amount of all partial payments (land plus construction) cannot exceed 90% of the Federal share of the project costs. In addition, the appropriate certification as to obtaining satisfactory title must either be on file with the ADO or submitted with the advance payment application, specifically referencing the land parcel involved.

Supporting data for a sponsor request for an advance payment on land acquisition should include a contract to purchase showing the amount agreed upon, the property legal description, and appraisals. If an advance on relocation costs is included with the acquisition costs, a detailed computation and back-up data are required supporting such costs. The Sponsor must disburse relocation payments within 30 days of the advance payment. If such disbursement is not feasible, an advance for only the land acquisition cost shall be made. Subsequent to acquisition, but prior to final closeout, the Sponsor should provide a copy of the deed or other evidence of acquisition.

Under certain circumstances an advance payment may also be made when the Sponsor is utilizing its condemnation powers to obtain title. In those instances, where the Sponsor becomes entitled to possession upon deposit of the appraised value of the land with the court, then payment of the Federal share of the amount to be deposited can be made. A copy of the appraisal, the sponsor's petition for condemnation, and, if not already on file with the FAA, a certification as to acceptability of the title to be obtained should be provided to the ADO for record purposes with the advance payment request. This material will not normally be reviewed by the ADO. Subsequently, documentary evidence appropriate under the particular State law establishing the Sponsor's right of possession should be furnished by the sponsor.

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In all cases, the ADO should determine that the price of the land or land interest for which payment is being requested is reasonable as determined appropriate by the ADO. Back-up for this determination may include appraisals, cost tabulations, etc. Information as listed in Appendix 2 of PPM 5100.8B is the suggested format for sponsor submittal of payment back up data.


W. Robert Billingsley
Manager, Airports Division

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Appendix 1

APPENDIX 1 - CHANGES FROM PPM 5100.3A DATED MAY 31, 1984

1. Paragraph 2.a. Under normal circumstances, the sponsor is to submit certification for land reimbursement. In exceptional circumstances, the ADO shall review title evidence prior to making payment. The ADO may require appraisal submittal to assist in determining reasonableness of land cost. AGL-620 is to be kept informed of any situations that may become controversial.
2. Paragraph 2.b. A title certification should be sent to the ADO with request for advance payment. However, the material will not normally receive an in-depth review. Editorial changes may have been made to reference the current AIP legislation and emphasize "investments" not "payments" in airport development.
3. The appendices have been eliminated from this PPM and reference is made to the close-out package in Appendix 2 of PPM 5100.8B, Project Closeouts.